

CWA FLEET CAR POLICY

Pursuant to Executive Board authorization, the following are general procedures relating to the Union's fleet car policy. If situations arise that are not covered here, contact the Secretary-Treasurer's office for assistance.

CWA fleet automobiles are furnished to the existing Staff hired before July 1, 1990 who need them for conducting Union business. **Automobiles should not be driven by anyone other than assigned Staff unless prior authorization is given by the Secretary-Treasurer.** Requests to assign cars to other than Staff should be in writing to the Secretary-Treasurer, furnishing the name of the individual, driver's license number, description of vehicle, where the vehicle will be kept and reason for request. **In no instance should anyone under age 21 be permitted to drive a Union-owned vehicle.**

CWA does permit Staff to use the fleet vehicles for personal errands on the way to and from work, in the course of driving from one assignment to another or in the immediate vicinity of their home or office. However, if the vehicle is to be used for any other purpose, for example, out-of-town trips, vacations or other such personal use, **Staff must receive prior authorization from their department head or Vice President.** Requests should not be arbitrarily denied. Staff shall be responsible for all expenses associated with the trip, including any necessary repairs that occur as a result of the personal use of the vehicle.

EQUIPMENT

The standard for fleet cars and their purchase shall be administered by the Secretary-Treasurer.

Cars will be Saturn SL1s with air conditioning, automatic transmission and equipment package A. In addition, all equipment required to meet state regulations shall be provided, as in the case of emission controls mandated by the State of California.

Staff may select exterior and interior color. Some optional equipment may be added at the driver's expense but the driver is then responsible for all maintenance or repair on that equipment. At the time of purchase, Staff shall pay directly to the dealer for any additional equipment selected.

REPLACEMENT

The Secretary-Treasurer will advise the driver, with copy to the appropriate administrative head or Vice President, that according to mileage, use or condition, or other criteria established by the Secretary-Treasurer, arrangements are being made to replace the current vehicle. The replacement may be a unit in better condition, or it may be a new unit.

Staff may request replacement of their fleet car to their administrative head or Vice President, who then writes to the Secretary-Treasurer detailing the reasons for requesting replacement of the car. The Secretary-Treasurer will make the final determination of replacement.

When a replacement unit is assigned to the driver, appropriate arrangements must be made for sale or disposition of the old vehicle.

There are two basic methods of disposing of the used fleet vehicle:

- 1) It may be purchased by the driver through the Secretary-Treasurer's office; or
- 2) The car may be sold through whatever means available or appropriate. The Secretary-Treasurer will furnish a suggested sale price.

If the car is not sold by either of these methods, the unit may be recommended for use in an organizing campaign or brought to Headquarters for disposal.

No car may be purchased by the driver within six (6) months of a repair exceeding \$500 or the purchase of new tires.

MAINTENANCE OF VEHICLE

The manufacturer's schedule of maintenance, found in the Owner's Manual, should be followed to keep the automobile under warranty and in good working order. These procedures include tune-ups, oil and filter changes, lubrications, packing wheels and universal joints maintenance. Replacement tires should meet but not exceed factory standard. **Routine maintenance should be performed by ARI-authorized companies such as Goodyear and Firestone and the dealer used only for needed work under warranty or for specialty work.**

Any expenses for repairs in excess of \$250 should be authorized by the Secretary-Treasurer's office in advance, if practicable. All maintenance and repairs are charged to the Headquarters automobile account, 063. Standard expense reimbursement or payment procedures apply, including the requirement of original documents. If a car is not maintained and requires repairs to make it salable so that CWA may recover its equity, such expense will be charged to the appropriate budget account.

TICKETS

Any driver who incurs a ticket for either parking or a moving violation is expected to personally pay that ticket within the time allotted by the jurisdiction issuing the ticket. Any outstanding tickets that come to the attention of the Secretary-Treasurer will be paid and the driver invoiced on an H-55.

INSURANCE

Our insurance is purchased through The McLaughlin Company. All claims are to go through their office, as outlined in the memo which issued the cards at the first of the year. The number is 800/831-8291 and you should call this number immediately to report any accident or file any claim.

DRIVER'S LICENSE

All drivers must maintain a valid driver's license while assigned a CWA staff car. Random MVR reports will be procured through the Secretary-Treasurer's office and any driver with an invalid license will turn in their CWA staff car to their administrative head or Vice President.

AUTOMOBILE ACCIDENT REPORTING PROCEDURES

In the event your fleet car is involved in any type of accident, or suffers damage or loss, specific reporting and claims procedures must be followed.

The local law enforcement agency must be advised immediately, whenever you have contact with another vehicle or pedestrian.

Local and state ordinances vary; therefore, it is suggested you familiarize yourself with such regulations.

In the event of an accident involving injury, the Secretary-Treasurer's office is to be notified immediately by telephone, with confirmation in writing, giving specific details.

Accidents

This covers collision whether the car is parked or in motion.

Obtain the names and addresses of witnesses, persons sustaining injury, and occupants and drivers of other vehicles involved in the collision.

UNDER NO CIRCUMSTANCES ARE YOU TO ADMIT OR ASSUME RESPONSIBILITY FOR THE ACCIDENT.

Report the accident immediately to The McLaughlin Company representative.

They will request that the claim check be made payable to the repair garage in order to expedite release of your car.

If it is necessary for you to pay \$500 accident deductible of the repair bill, obtain a paid receipt and submit it to the Secretary-Treasurer via your normal voucher procedure.

If the damage to the car is \$500 or less, obtain an estimate of repairs for submission to the Secretary-Treasurer.

Losses - Comprehensive

This includes damage to your car other than collision such as theft, broken windshield, vandalism, etc., but does not cover loss or theft of personal items.

If it is necessary for you to pay \$250 comprehensive deductible, obtain a paid receipt and submit it to the Secretary-Treasurer via your normal voucher procedure.

The same procedures apply for the filing of comprehensive damage reports as for collision.

General Information

You are not authorized to execute any legal forms such as proof of loss or releases of any nature. This can only be done by the Secretary-Treasurer.

However, at the time you forward such papers for signature, give your recommendations, in detail, as to whether or not they should be executed.

The automobile insurance policy is renewed annually. At that time, each driver is furnished an insurance identification card. This card is also given to drivers when they are assigned a new vehicle.

QUARTERLY CAR REPORT

GENERAL INFORMATION

Each staff that is assigned a CWA owned or leased car should be familiar with the IRS substantiation requirements on the following page for business use of automobiles made available by an employer for use by an employee. As a result of Convention action taken in 1992, the Secretary-Treasurer's office must provide to each administrative head a quarterly mileage report.

In order to comply with both the IRS reporting requirements and CWA Convention action, anyone assigned a CWA owned or leased vehicle must complete a quarterly mileage report and forward it to the Secretary-Treasurer's office in a timely manner.

The personal use mileage information provided on the quarterly car report will be used to calculate applicable Medicare and Social Security taxes, which will then be deducted from a subsequent paycheck. The formula on page 3 explains how personal use income is calculated.

COMPLETING THE REPORT

Particular attention should be given to inserting the correct car number and Social Security number. The odometer reading shown for the end of one period plus the total miles driven for the current period MUST total what you have entered under Number 5. Be certain total mileage is correctly calculated.

The Reporting Periods and Dates Due are as follows:

<u>Report #</u>	<u>Reporting Period</u>	<u>Report Due Date</u>
1	Jan 1-Mar 31	Apr 20
2	Apr 1-Jun 30	Jul 20
3	Jul 1-Oct 31	Nov 29
4	Nov 1-Dec 31	Jan 20

Forward the completed report to:

Secretary-Treasurer's Office
501 Third Street, N.W.
Washington, D.C. 20001
or via FAX 202/434-1481
or via CWA's Employees Page at
www.cwa-secy-treas.org

FORMULA FOR CALCULATING PERSONAL USE INCOME ON CWA OWNED OR LEASED VEHICLE USE

A. Information Provided on Report

- 1) Number of days in reporting period
- 2) Personal use miles for reporting period
- 3) Total miles driven

B. Other Information Used in Calculation

- 1) Total number of days in year
- 2) Annual leased car value as provided in IRS guidelines
- 3) Personal Mile Gas Cost as provided in IRS guidelines
- 4) Employee upgrade option amount

C. Calculated Steps

- 1) Percentage of time to be taxed
- 2) Percentage of personal use for reporting period
- 3) Percentage of leased car value to be taxed
- 4) Vehicle portion of personal use income
- 5) Personal mile gas cost
- 6) Total personal use income

CALCULATION FORMULA

- 1) $A1 / B1 = C1$
- 2) $A2 / A3 = C2$
- 3) $C1 * C2 = C3$
- 4) $(B2 - B4) C3 = C4$
- 5) $A2 * B3 = C5$
- 6) $C4 + C5 = C6$

EXAMPLE

This example shows how the information provided on the report and other information noted above is used to calculate personal use income.

A1) Number of days in reporting period January 1, 1998 - March 31, 1998	=90
A2) Personal use miles for reporting period	=1,300
A3) Total miles driven during reporting period	=3,700
B1) Total number of days in year	=365
B2) Annual Leased Car Value	=\$3,600
B3) Personal Mile Gas Cost	=.055
B4) Upgrade option deduction	=720

CALCULATION

- | | |
|------------------|---------------------------|
| 1) A1/B1=C1 | 1) 90/365=24.65% |
| 2) A2/A3=C2 | 2) 1300/3700=35% |
| 3) C1*C2=C3 | 3) .25*.35=8.75% |
| 4) (B2-B4) C3=C4 | 4) \$3,600*8.75=\$315.00 |
| 5) A2*B3=C5 | 5) 1,300*.055=71.50 |
| 6) C4+C5=C6 | 6) 252.00 + 71.50=323.50* |

***(Personal income to be taxed)**

Automobile fair market value

Annual Lease Value

1,000 to 1,999.....	850
2,000 to 2,999.....	1,100
3,000 to 3,999.....	1,350
4,000 to 4,999.....	1,600
5,000 to 5,999.....	1,850
6,000 to 6,999.....	2,100
7,000 to 7,999.....	2,350
8,000 to 8,999.....	2,600
9,000 to 9,999.....	2,850
10,000 to 10,999.....	3,100
11,000 to 11,999.....	3,350
12,000 to 12,999.....	3,600
13,000 to 13,999.....	3,850
14,000 to 14,999.....	4,100
15,000 to 15,999.....	4,350
16,000 to 16,999.....	4,600
17,000 to 17,999.....	4,850
18,000 to 18,999.....	5,100
19,000 to 19,999.....	5,350
20,000 to 20,999.....	5,600
21,000 to 21,999.....	5,850
22,000 to 22,999.....	6,100
23,000 to 23,999.....	6,350
24,000 to 24,999.....	6,600
25,000 to 25,999.....	6,850

SUBSTANTIATION REQUIREMENTS

The IRS has published rules for the substantiation of the business use of automobiles made available by an employer for use by an employee.

In general, the employee must include in gross income (as a working condition fringe) the personal portion of the value of the auto provided. The business use portion for which the employee provides adequate substantiation is not included in gross income.

If the employer includes 100% of the value of the auto in the employee's gross income, the employee may deduct a percentage of the total value that can be substantiated as business use on his personal return. The deduction is a miscellaneous itemized deduction and subject to reduction by 2% of adjusted gross income.

A taxpayer must have sufficient information to substantiate the amount, time, use and business purpose of submitted expenses or use. Taxpayers should maintain and be able to produce such substantiation that will constitute proof of each expenditure or use.

Written evidence has considerably more probative value than oral evidence alone. In addition, the probative value of written evidence is greater the closer in time it relates to the expenditure or use.

A contemporaneous log is not required, but a record of the elements of an expenditure or of a business use of the auto made at or near the time of the expenditure or use, supported by sufficient documentary evidence, has a high degree of credibility not present with respect to a statement prepared later.

The substantiation requirements are designed to encourage taxpayers to maintain the records of business use, together with documentary evidence.

To meet the "adequate records" requirements, a taxpayer shall maintain an account book, diary, log, statement of expense, trip sheets, or similar records, and documentary evidence with, in combination, are sufficient to establish each element of an expenditure or use.

It is not necessary to record information in an account book, or similar record which duplicates information reflected on a receipt so long as the account book, etc. and receipt complement each other in an orderly manner.

If a taxpayer fails to maintain an adequate record, then the taxpayer must establish the elements of an expenditure or use by a written or oral statement and other corroborative evidence sufficient to establish the elements. For example, a taxpayer may maintain an adequate record for portions of a taxable year and use that record to substantiate the business use of an automobile only if the taxpayer can demonstrate by other evidence that the periods for which the adequate record is maintained are representative of the taxable year.

Generally, a taxpayer must substantiate the elements of each separate expenditure or use. However, the taxpayer may substantiate concurrent or repetitious expenditures or uses as a single item in certain cases.

Amounts expended for gasoline or repairs for an automobile may be aggregated. If these expenses are aggregated, the taxpayer need not prove the business purpose of each expense, but may prorate the expenses based on the total business use of the property. Similarly, a taxpayer may consider a round trip or an uninterrupted period of business use as a single use.

EMPLOYER'S RELIANCE ON EMPLOYEE RECORDS

An employer substantiates its business use of automobiles provided to employees by showing either (1) that based on adequate records maintained by the employees or on other evidence corroborating the employees' statements, all or a portion of the use of the auto is by employees in the employer's trade or business, and that if any employee used the car for personal purposes, the employer included an appropriate amount in the employee's income, or (2) the employer treats all use by employees as personal use and includes an appropriate amount in the employees' income.

For purposes of substantiating the business use of an employer-provided automobile, an employer may rely on adequate records maintained by its employees. Alternatively, the employer may rely on a statement submitted by the employee that provides sufficient information to allow the employer to determine the business use.

The employer cannot use the statement if he knows or has reason to know that the statement is not based on adequate records of sufficient corroborative evidence. The employer must retain a copy of the substantiation used to compute the taxable income.

If the employer relies on the employee's statement, the employer must retain a copy of the statement. The employee must retain a copy of the adequate records or other evidence.

Communications Workers of America Personal Use Automobile Report

Name:	<input style="width: 90%;" type="text"/>
Email Address:	<input style="width: 90%;" type="text"/>
District:	<input style="width: 90%;" type="text"/>
Social Security #:	<input style="width: 90%;" type="text"/>
Car Number:	<input style="width: 90%;" type="text"/>
Reporting Period:	<input type="checkbox"/> January 1 - March 31 <input type="checkbox"/> April 1 - June 30 <input type="checkbox"/> July 1 - October 31 <input type="checkbox"/> November 1 - December 31
1. First day of reporting period this car was driven.	<input style="width: 90%;" type="text"/>
2. Last day of reporting period this car was driven.	<input style="width: 90%;" type="text"/>
3. Total miles driven from during reporting Period a. Odometer reading at end of this reporting period. b. Odometer reading at end of previous report. c. Total miles driven during reporting period (a-b)	a. <input style="width: 60%;" type="text"/> b. <input style="width: 60%;" type="text"/> c. <input style="width: 60%;" type="text"/>
4. Total miles driven for personal use for this reporting period. <i>(This would also include the miles used for commuting from your residence to your CWA office of employment)</i>	<input style="width: 90%;" type="text"/>
5. Have you maintained sufficient evidence to support the business use? ***	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No ***
6. Is the evidence written? Yes No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

I have answered the above mentioned questions correctly and I understand that this information may be given to the I.R.S. as a result of an audit.

***Note: Your records are not to be submitted with this statement. However, the I.R.S. requires that you retain this documentation for a minimum of six years. The requirements for recordkeeping are solely your responsibility.

*Mail/Fax To: **Communications Workers of America**
Attn: Eileen M. Brackens, Exec. Asst. to Secy-Treas.
501 Third Street, N.W.
Washington, D.C. 20001-2797
FAX: 202-434-1481